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INFLUENCE OF BRAND AMBASSADORS ON BUYING BEHAVIOR OF SOFT DRINKS: WITH REFERENCE TO BELGAUM CITY

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ABSTRACT

Today 'Celebrity Endorsement' has fascinated enormous debate on whether it really contributes to the brand building process or whether it is just another lazy tool to make the brand more visible in the minds of the consumers. Although it has been observed that the presence of a well-known personality helps in solving the problem of over-communication that is becoming more prominent these days, there are few undesirable impacts of this practice on the brand. Firms invest huge amounts as advertising expenditure for hiring the right celebrity. Consumers perceive the brand as having superior quality because it has been endorsed by a credible source. The present paper tries to look behind the obvious benefits that whether the consumers buys the soft drinks just because it is endorsed by their favorite and well known personality or it is just needy that they have to buy the product or its just situation. And researcher has selected 100 respondents as a sample in Belgaum city and all respondents' falls under age between 17 to 35 years. Data have been collected from both the primary and secondary source. For the primary researcher has used questionnaire. Author has also formulated few hypothesis and used Z test to find out the major findings. Finally researcher could able to found the reasons and influence of the brand ambassadors and their impact on consumers buying behaviour.

KEYWORDS*:* Brand Ambassadors, Consumer Buying Behaviour, Advertisement, Brand Image

INTRODUCTION

In 21st century, the marketers are formulating and implementing different strategies in order to retain existing customers and attract new customers. To communicate about the product offerings to the customers, marketers always use unique tools and techniques when compare to their competitors. Creating very different strategy by using marketing mix is one the major challenge for the present scenario. In the modern market, without brand ambassadors it's somewhat difficult to sell the product. For brand recall, marketers select right person for right product at right place so that the brand can maintain the stability in the competitive world. The brand ambassadors will explain the process of the usage of the product and benefits out of it and why customers have to buy this product.

Most of the times brand ambassadors influence on their consumers by communicating in a effective way. And the customers perceive the brand as having very superior quality just because it has been endorsed by their favorite personality and based on this customers start that endorsement as one the indicator of the superior quality for any other brand. With the help of the both brand ambassadors and the company credibility plays a very significant role in the attitude of the consumers towards the advertisement and brand recall too. But sometime over popularity of the brand ambassadors may create negative response to the brand. By involving in multiple brand endorsement it may leads to create huge confusion in the minds of the customers.

Still there is confusion among the marketers regarding the impact of the celebrity endorsement on buying behaviour of soft drinks. There are different soft drinks companies in the market, and all most all brands are using brand

ambassadors for their brands but the question is whether these ambassadors are really influencing on the consumer decision making? And every day we see different and innovative advertisements on television ad print ads but is it a just a tool to communicate to the customer? Or it really changes consumer mind to buy their product? Are consumer really would like to buy the product just because of it is endorsed by their favorite personality or it is just needy? Sometimes most of the swift from one brand to another brand so what makes them to change the brand? Hence, for the above all question we are going to get the answer by collecting response from the both marketers and consumers so that it would be easier for the further study.

Definition of Brand Ambassador

Brand Ambassadors: who or what are they?

A Brand Ambassador, as the name suggests is a Endorser of a Brand. An ambassador is a representative of the Brand. That he/she endorses. In our childhood days, when there were less number of brands we had very few brand ambassadors. For example a Lalitaj for Surf, Poonam Hillon for Bajaj Almond Hair Oil, Neelam Kothari for Dabur Amla Hair Oil, Sridevi for Lux to name a few. There would have been more but they weren't able to leave an imprint on our minds. Most probably, it did, on our parents' and relatives' mindset, no wonder we always got the same products in our house.

WHY BRAND AMBASSADORS

There is a management saying that**, when the product is good, you no longer have to be a very good marketer.** But the saying is soon becoming outdated. There are many product categories and many brands flooded in the market in each category. Hence attributes like quality, value for money alone doesn't count. There has to be an effective media to make the product reach towards the customer. The media here can be termed as the celebrity who endorses the product. When a product is being endorsed by a famous celebrity then it will result in better brand recall and better brand awareness. People also start associating their status symbol to that of the product that they consume and the celebrity associated with it. Hence in many ways the company can capitalize on celebrity endorsement. That is the reason why companies shell out millions to promote their product with the celebrities.

ROLE OF BRAND AMBASSADORS

With the passage of time when the liberalization took place in the 1990s, we saw a spate of companies flowing into the country with a wide range of products for the consumer. These companies didn't want their products to fail in the market and so they had very attractive and enticing ad campaigns. But the need for more profits and market share made them spend more and more on their advertisements. There were virtual characters for some brands (Fido for 7Up), but for some they had to rope in household names to connect with the consumer and that made the companies reach out their arms to Bollywood for influential actors and actresses (Salman Khan for Pepsi) and so on. Depending on the ad campaigns that were created there were couples of ambassadors who worked wonders for a brand but couldn't revive their magic when it came to other brands.

RESEARCH DESIGN

PROBLEM STATEMENT

To study the influence of celebrity endorsement towards the buying behavior of soft drinks. On the basis of this problem statement, the following specific objectives have been crystallized.

OBJECTIVE OF THE RESEARCH

- To study the importance of celebrity endorsement in the promotion of a product.
- To find out whether celebrity endorsement constitutes for brand recall and brand awareness.
- To identify whether celebrity endorsement has any impact in the purchase behavior of Soft drinks.

RESEARCH DESIGN

The research study first examines the various facets of celebrity endorsements and the impact on the purchase behavior of the soft drinks. A thorough literature survey has been made in light of all the things surrounding the celebrity endorsement. Then a survey is taken among the general public with a sample to arrive at several conclusions regarding the influence of brand ambassadors on buying behavior of soft drinks.

SAMPLE SIZE

The chosen sample size is of 100 consumers of soft drinks between the ages 17-30.

SAMPLE DESCRIPTION

The data taken for study is a convenient sample representing the youth of today, so that a proper conclusion can be reached. The target is youth aged between 17-30.

COLLECTION OF DATA

Data has been collected from both primary and secondary sources. Primary data is collected by the questionnaires and personal observation. Secondary data is collected by the referring to several journals, books, internet, magazines, etc,

LIMITATION

- The data is restricted to Belgaum
- Time constraint
- Results are purely based on primary information
- The analysis and interpretation is made under the assumption that data are accurate

SOFT DRINKS INDUSTRY: AN OVERVIEW

A **soft drink** is a drink that does not contain alcohol, as opposed to hard drinks, that do. In general, the term is used only for cold beverages. Hot chocolate, tea, and coffee are not considered soft drinks. The term originally referred exclusively to carbonated drinks, and is still commonly used in this manner

Major Soft Drinks Brands

Of late, there will be almost very few people who don’t know brand names like Coca Cola or Pepsi. The soft drinks industry is cluttered with many brands and the companies are struggling to maintain their market share. They resort to several marketing strategies to entice the customers towards them. Some of the famous soft drink brands are Coca cola, Fanta, Miranda, Thumbs up, Pepsi, 7UP, Sprite, Miranda, Thumbs up, Slice etc.

There has been a war going on between these brands and several strategies has rather confused consumers to buy a brand rather than making him loyal towards the brand. As a result brand loyalty is soon fading among the brands available in the market and he is loyal to more than one brand.

To retain a customer the companies undertake several strategies like pricing strategy, advertising strategy, etc. But one welcome trend that companies have seen is that the volume is increasing and as a result the market penetration is going up.

ANALYSIS AND NTERPRETATION

A questionnaire was prepared keeping in mind all the criteria to assess the impact of celebrity endorsement towards purchase behavior of soft drinks and the data is analyzed for interpretation of results

Sample Size: 100

Gender	Sample size
Male	67
Female	33
Total	100

INTERPRETATION AND ANALYSIS

(From Hypothesis)

FAVORITE BRAND AMBASSADOR AND CHANCES OF BUYING

Chances of Buying	**No. of Respondents**
Very Less	53
Less	14
Neutral	21
High	07
Very High	05

Ho: There is no significant difference between brand ambassadors and expected number of respondents to buy the soft drinks. (Ps = P)

H1: There is significant difference between brand ambassadors and expected number of respondents to buy the soft drinks. (Ps > P)

Ps: sample population; Ps = 0.67

P: expected population P = 0.80

Level of significance 5% Z tab =1.645 (one tailed test)

Test statistic $Z = \frac{| P. Ps |}{\sqrt{PQ / n}}$

DATA: P =0.80 Ps =0.69 n =100 $\sqrt{PQ / n} = 0.04$

TEST: Z cal = | .8 .0.67 | = **3.25**
0.04

Since Z cal > Z tab, Ho is not accepted.

That is Ps < P

INTERPRETATION

It clearly shows that the sample observed is more than that of expected. Usually due to brand Endorsement it is expected that less should be unlikely to buy the brand and more should be likely to buy the brand. It means that the consumers in the case of soft drinks give much importance to other attributes like quality, value for money etc.

BRAND AMBASSADORS AND DETRACTORS

Chances of Recommending	No. of Respondents
Most Unlikely	63
Unlikely	23
Neutral	9
Likely	02
Most Likely	02

Ho: There is no significant difference between brand ambassadors and expected number of respondents not detracting someone from buying. (Ps =P)

H1: There is significant difference between brand ambassadors and expected number of respondents not detracting someone from buying. (Ps < P)

Ps: sample population Ps = 0.86

P: expected population P= 0.80

Level of significance 5% Z tab=1.645 (one tailed test)

Test statistics Z = | P - Ps |
√ PQ / n

DATA: P =0.80 Ps =0.86 n =100 √ PQ / n= 0.04

TEST: Z cal =|0 .8- 0.86 |=**1.50**
0.04

Since Z cal < Z tab, Ho is accepted.

That is Ps = P.

INTERPRETATION

In this case the pragmatic number of people from the sample who say that they will not Detract is more than that of the observed. This is a good sign. Hence it implies that the Respondents will not detract another person because their hated celebrity endorses the product.

BRAND AMBASSADORS AND ADVERTISEMENT REACH AMONG USTOMERS

Chances of Buying	No. of Respondents
Very Less	02
Less	06
Neutral	18
High	49
Very High	25

Ho: There is no significant difference between impact of brand ambassadors and expected number of respondents viewing the soft drinks advertisement. (Ps = P)

H1: There is significant difference between impact of brand ambassadors and expected number of respondents viewing the soft drinks advertisement. (Ps < P)

Ps: sample population Ps = 0.74

P: expected population P = 0.80

Level of significance 5% Ztab =1.645 (one tailed test)

Test statistics $Z = \frac{|P - Ps|}{\sqrt{PQ / n}}$

DATA: P =0.80 Ps =0.74 n =100 √ PQ / n = 0.04

TEST: $Z\ cal = \frac{|0.8 - 0.74|}{0.04} = \mathbf{1.50}$

Since Z cal > Z tab, Ho is Rejected.

That is Ps < P

INTERPRETATION

In this case the sample observed is less than that of the expected. The companies which use brand ambassadors and celebrities to endorse their brand expect large number of people to view the advertisement. Although 74 % is very good proportion, by the test it is less than the expected/hence some creativity should also be coupled with celebrities to make the advertisements more reachable.

IMPORTANCE OF BRAND AMBASSADOR

Importance	No. of Respondents
Most Important	11
Important	47
Neutral	27
Less Important	15
Not at all Important	00

Ho: There is no significant difference between observed and expected number of respondents who think that brand ambassadors are important. (Ps =P)

H1: There is significant difference between observed and expected number of respondents who think that brand ambassadors are important. (Ps < P)

Ps: sample population Ps = 0.85

P: expected population P= 0.80

Level of significance 5% Ztab=1.645 (one tailed test)

Test statistics $Z = \frac{|P - Ps|}{\sqrt{PQ / n}}$

DATA: P =0.80 Ps =0.75 n =100 $\sqrt{PQ / n} = 0.04$

TEST: $Z\ cal = \frac{|0.80 - 0.85|}{0.047} =$ **1.25**

Since Z cal < Z tab, Ho is accepted.

That is Ps = P.

INTERPRETATION

It is obvious from the analysis that there is no significant difference between observed and expected number f respondents who think that brand ambassadors are important. The rules of marketing are changing. Although companies use several strategies to make products reach the people, brand ambassadors also constitute one of the important attributes.

RECOMMENDATION AMONG THEIR FRIENDS/COLLEAGUES

Chances of Recommending	No. of Respondents
Most Unlikely	49
Unlikely	31
Neutral	12
Likely	07
Most Likely	02

Ho: There is no significant difference between brand ambassadors and expected number of respondents unlikely to recommend the brand. (Ps = P).

(The persons that the company expects that they are unlikely to recommend being small).

H1: There is significant difference between brand ambassadors and expected number of respondents unlikely to recommend the brand. (Ps >P)

Ps: sample population Ps = 0.80

P: expected population P = 0.20

Level of significance 5% Ztab =1.645 (one tailed test)

Test statistics $Z = \frac{| P - Ps |}{\sqrt{PQ / n}}$

DATA: P =0.20 Ps =0.80 n =100 $\sqrt{PQ / n}$= 0.04

TEST: Z cal = $\frac{| 0.2 - 0.80 |}{0.04}$ = **15**

Since Z cal > Z tab, Ho is Rejected.

That is Ps > P.

INTERPRETATION

This means that people give importance to other factors The company always expects that the number of people unlikely to recommend the brand Should be less, or in other words, there should be large number of persons who should recommend the brand. In case of soft drinks this can be seen that there is no such trend. And they think that they can recommend a brand only after they are thoroughly satisfied. Hence attribute like satisfaction can be considered for recommendation of a brand.

FINDINGS FROM THE ANALYSIS

The following are summary of findings from the analysis made on the response given by the respondents.

- Almost all respondents, that is, nearly 64% of them replied that they will not detract their friend/colleague from buying a particular soft drink brand because it is endorsed by their hated icon. This shows a very good sign. Because in any brand detractors must be given due importance to curb them. They not only don’t buy the brand but also detract others from buying.
- Also, nearly 59% of the respondents say that there are huge chances that they will see a print ad or a hoarding of a soft drink brand ad, if it features their favorite icon
- On an average about 35-40% of the respondents could associate the soft drink brand with that of the ambassadors/celebrities. This shows that there has been a very good reach of the advertisements featuring with celebrities.
- More than half of the respondents (51%) said that there are less chances that they would buy a particular soft drink brand because it is endorsed by their favorite icon. They also look into other attributes like quality, value for money etc.
- Many respondents, nearly 68% of the respondents told that there is high chance of viewing of television ad of a particular soft drink brand if it endorsed by their favorite brand.
- There are some soft drink brands which were not much popular earlier and then became popular after it was being endorsed by a famous icon. Hence the respondents were asked whether they tried. Any such brand, for which 63% of respondents told that they haven’t tried.
- Most of the respondents told that, that is, nearly 33% of the respondents that they would shift from their previous soft drink brand for just a change. Next nearly 25% say that they will shift due to non-availability and about 31%

on account of quality. It can be noted that even attributes like quality doesn't take the driver's seat. This result also synchronizes with that of a study conducted recently on this subject in Tamilnadu

- Brand awareness and brand recall can be effectively established by advertisements only. And if brand ambassadors can help to do those, then it can be inferred that brand ambassadors indirectly help in creating good brand awareness and brand recall.
- Many of the respondents replied that they won't care about attributes like change in the brand ambassador to a not-so-favorite icon. And they told that they would persist to remain in the same brand.
- There were mixed reactions when the respondents were asked, among two soft drink brands having same attributes will they prefer a particular soft drink brand because it is endorsed by their favorite icon. Partly told that they would prefer and partly took the other view.
- Most of the respondents could recall many brand of soft drinks which are in the market. Among all coca cola and Pepsi had about 97 and 87 mention.
- Brand ambassador who endorse the soft drink brand and the status symbol of the consumer is of immense importance. In such a question put to respondents they told that they won't associate the status symbol with that of the brand ambassador who endorses the brand.
- Nearly 58% of the respondents felt that apart from attributes like quality, value for money brand ambassadors is also important.
- The respondents were also asked to rate the effectiveness of the association between the celebrity and the brand ambassador that they endorse. There were mixed reactions among the respondents
- Nearly 26% of respondents replied that they are unlikely that they will recommend a soft drink brand to their friends /colleague only because it is endorsed by their favorite icon. Actually a consumer will recommend a brand only if he thinks that he is satisfied from the brand and that the brand is worth recommending.

ROAD FOR FURTHER STUDY

Having carried out a research study in the impact of brand ambassadors towards the purchase behavior of soft drinks, there can be a study conducted on brand loyalty of Indian consumers towards soft drinks. As mentioned earlier there are many brands which have flooded the market. Hence an emerging trend can be found among the consumers, that is, they don't remain loyal to a single brand and they are loyal to many brands, Hence further study could be made in areas like **Brand loyalty of Indian consumers towards soft drinks, Brand loyalty among Indian consumers: myth or reality**

CONCLUSIONS

There is an old advertising adage which says, "The medium is the message." This is also applicable to celebrity endorsement too. In almost all the industries in the advertisement field there has been a sea change and of late there is embarrassment of celebrity endorsement. The soft drinks segment is no exception to it. There are many brands in the market and celebrity endorsement can be effectively used to establish a good brand recall and brand awareness.

The companies have started understanding that celebrities can catalyze brand acceptance and provide the enormous momentum that brands require. In case of soft drink segment which has been taken for study, there are many

success stories. Stories where brands in trouble were rescued after they were endorsed and taken to the general public by celebrities. Celebrity endorsement also gives new opportunities for the brand. But with much hype being made in celebrity endorsement a million dollar question arises in the minds of marketers: isn’t it time for the stockholders to start asking basic questions in brand investment.

Finally, it can be conclude that brand ambassadors or celebrity endorsement is the order of the day, and it depends on the company or a brand how effectively to use it and establish brand recall brand awareness.

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